

PART 203—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Sec.

203.070 Reporting of violations and suspected violations.

Subpart 203.1—Safeguards

203.104 Procurement integrity.

203.104–4 Disclosure, protection, and marking of contractor bid or proposal information and source selection information.

203.170 Business practices.

203.171 Senior DoD officials seeking employment with defense contractors.

203.171–1 Scope.

203.171–2 Definition.

203.171–3 Policy.

203.171–4 Solicitation provision and contract clause.

Subpart 203.5—Other Improper Business Practices

203.502–2 Subcontractor kickbacks.

203.570 Prohibition on persons convicted of frauds or other defense-contract-related felonies.

203.570–1 Scope.

203.570–2 Prohibition period.

203.570–3 Contract clause.

Subpart 203.7—Voiding and Rescinding Contracts

203.703 Authority.

Subpart 203.8—Limitations on the Payment of Funds To Influence Federal Transactions

203.806 Processing suspected violations.

Subpart 203.9—Whistleblower Protections for Contractor Employees

203.900 Scope of subpart.

203.903 Policy.

203.904 Procedures for filing complaints.

203.905 Procedures for investigating complaints.

203.906 Remedies.

203.970 Contract clause.

Subpart 203.10—Contractor Code of Business Ethics and Conduct

203.1003 Requirements.

203.1004 Contract clauses.

AUTHORITY: 41 U.S.C. 1303 and 48 CFR chapter 1

SOURCE: 56 FR 36288, July 31, 1991, unless otherwise noted.

203.070 Reporting of violations and suspected violations.

Report violations and suspected violations of the following requirements in accordance with 209.406–3 or 209.407–3 and DoDD 7050.5, Coordination of Remedies for Fraud and Corruption Related to Procurement Activities:

(a) Certificate of Independent Price Determination (FAR 3.103).

(b) Procurement integrity (FAR 3.104).

(c) Gratuities clause (FAR 3.203).

(d) Antitrust laws (FAR 3.303).

(e) Covenant Against Contingent Fees (FAR 3.405).

(f) Kickbacks (FAR 3.502).

(g) Prohibitions on persons convicted of defense-related contract felonies (203.570).

[69 FR 74990, Dec. 15, 2004, as amended at 77 FR 35879, June 15, 2012]

Subpart 203.1—Safeguards

203.104 Procurement integrity.

203.104–4 Disclosure, protection, and marking of contractor bid or proposal information and source selection information.

(d)(3) For purposes of FAR 3.104–4(d)(3) only, DoD follows the notification procedures in FAR 27.404–5(a). However, FAR 27.404–5(a)(1) does not apply to DoD.

[74 FR 2409, Jan. 15, 2009]

203.170 Business practices.

To ensure the separation of functions for oversight, source selection, contract negotiation, and contract award, departments and agencies shall adhere to the following best practice policies:

(a) Senior leaders shall not perform multiple roles in source selection for a major weapon system or major service acquisition. Departments and agencies shall certify every 2 years that no senior leader has performed multiple roles in the acquisition of a major weapon system or major service. Completed certifications shall be forwarded to the Director, Defense Procurement, in accordance with the procedures at PGI 203.170.

(b) Vacant acquisition positions shall be filled on an “acting” basis from

below until a permanent appointment is made. To provide promising professionals an opportunity to gain experience by temporarily filling higher positions, these oversight duties shall not be accrued at the top.

(c) Acquisition process reviews of the military departments shall be conducted to assess and improve acquisition and management processes, roles, and structures. The scope of the reviews should include—

(1) Distribution of acquisition roles and responsibilities among personnel;

(2) Processes for reporting concerns about unusual or inappropriate actions; and

(3) Application of DoD Instruction 5000.2, Operation of the Defense Acquisition System, and the disciplines in the Defense Acquisition Guidebook.

(d) Source selection processes shall be—

(1) Reviewed and approved by cognizant organizations responsible for oversight;

(2) Documented by the head of the contracting activity or at the agency level; and

(3) Periodically reviewed by outside officials independent of that office or agency.

(e) Legal review of documentation of major acquisition system source selection shall be conducted prior to contract award, including the supporting documentation of the source selection evaluation board, source selection advisory council, and source selection authority.

(f) Procurement management reviews shall determine whether clearance threshold authorities are clear and that independent review is provided for acquisitions exceeding the simplified acquisition threshold.

[72 FR 20757, Apr. 26, 2007, as amended at 74 FR 2408, Jan. 15, 2009]

203.171 Senior DoD officials seeking employment with defense contractors.

203.171-1 Scope.

This section implements Section 847 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181).

[74 FR 2409, Jan. 15, 2009]

203.171-2 Definition.

Covered DoD official as used in this section, is defined in the clause at 252.203-7000, Requirements Relating to Compensation of Former DoD Officials.

[74 FR 2409, Jan. 15, 2009]

203.171-3 Policy.

(a) A DoD official covered by the requirements of Section 847 of Public Law 110-181 (a “covered DoD official”) who, within 2 years after leaving DoD service, expects to receive compensation from a DoD contractor, shall, prior to accepting such compensation, request a written opinion from the appropriate DoD ethics counselor regarding the applicability of post-employment restrictions to activities that the official may undertake on behalf of a contractor.

(b) A DoD contractor may not knowingly provide compensation to a covered DoD official within 2 years after the official leaves DoD service unless the contractor first determines that the official has received, or has requested at least 30 days prior to receiving compensation from the contractor, the post-employment ethics opinion described in paragraph (a) of this section.

(c) If a DoD contractor knowingly fails to comply with the requirements of the clause at 252.203-7000, administrative and contractual actions may be taken, including cancellation of a procurement, rescission of a contract, or initiation of suspension or debarment proceedings.

[74 FR 2409, Jan. 15, 2009]

203.171-4 Solicitation provision and contract clause.

(a) Use the clause at 252.203-7000, Requirements Relating to Compensation of Former DoD Officials, in all solicitations and contracts.

(b) Use the provision at 252.203-7005, Representation Relating to Compensation of Former DoD Officials, in all solicitations, including solicitations for task and delivery orders.

[76 FR 71829, Nov. 18, 2011]